

Nebraska Nonhighway Use Motor Vehicle Fuels Tax-Credit Gasoline

Revised April, 2004

For more information, check our Web
site: www.revenue.state.ne.us



The purpose of this information guide is to provide an overview of the Nebraska nonhighway use motor vehicle fuels tax laws. It is not designed to answer all questions that might arise, but is intended to enable a person to become familiar with the Nebraska nonhighway use motor vehicle fuels tax laws.

Overview

The Nebraska Nonhighway Use Motor Vehicle Fuels Tax Program allows taxpayers to apply for a refundable income tax credit of the tax paid on those gallons of motor vehicle fuels (e.g., gasoline, gasohol, or ethanol) used exclusively for the following nonhighway purposes:

- ✓ Agricultural;
- ✓ Quarrying;
- ✓ Industrial; or
- ✓ Any other nonhighway use.

Nonhighway use does not include power-take-offs powered by the main supply tank of a licensed motor vehicle or fuel used in aircraft.

The amount of the credit is calculated at two and one quarter cents per gallon less than the tax rate in effect at the time the fuel was purchased.

This credit does not apply to diesel fuel, kerosene, or compressed fuel (e.g., propane, or compressed natural gas).

Purchaser Requirements

Storage Facility. Taxpayers must have at least one storage facility or container with a capacity of 40 gallons or more. All storage facilities into which nonhighway use motor vehicle fuels are placed must be labeled with the following in large, legible letters:

- “Nonhighway Use Motor Vehicle Fuels,” or
- “Tax-Credit Gasoline.”

The storage must be a separate storage facility from all other storage of gasoline. Licensed motor vehicles cannot be fueled from this storage facility. The container must also bear the name of the purchaser when the seller does not deliver the motor vehicle fuels to the premises of the purchaser.

Purchases. Taxpayers must make at least one purchase of 40 gallons or more of nonhighway use motor vehicle fuels each year to be eligible to receive the income tax credit.

Claiming the Credit

Form 4136N. To claim the credit, a Nebraska Nonhighway Use Motor Vehicle Fuels Credit Computation, Form 4136N, must be completed and attached to the income tax return filed by an individual, fiduciary, or corporation. Partners, members, or shareholders may claim a credit by attaching the partnership’s, limited liability company’s, or S corporation’s Form 4136N to their returns.

Fiscal year filers must use Form 4136N for the calendar year in which their fiscal year begins. Complete and attach a schedule using the same format as Form 4136N for the months in the next calendar year of the taxpayer’s fiscal year. The applicable credit rate must be requested from the Motor Fuels

Division. If the prior calendar year's purchases are included on Form 1065N or Form 1120-SN, the appropriate Form 4136N for that year must be attached to the current year's filing.

Taxpayers may file a claim each month for tax credit motor vehicle fuels purchased during the preceding month when they are entitled to a tax credit in excess of \$60,000, based on claims filed for the preceding tax year.

Seller Information

Nonhighway use motor vehicle fuels must be placed into a container with a capacity of 40 gallons or more marked with the words "Tax-Credit Gasoline" or "Nonhighway Use Motor Vehicle Fuels." If it is not delivered to the premises of the qualified purchaser, the container must also have the name of the qualified purchaser.

Invoices. The seller must issue an original invoice containing the following information:

- ✓ A serial number. The serial number cannot be repeated during the calendar year;
- ✓ Seller's name and address. This information may be printed or stamped on each invoice;
- ✓ Purchaser's name and address;
- ✓ Date of sale;

- ✓ Delivery date;
- ✓ Place of delivery, if other than purchaser's address;
- ✓ Number of gallons sold;
- ✓ Price paid per gallon, including tax; and
- ✓ The words "Nonhighway Use Motor Vehicle Fuels" or "Tax-Credit Gasoline" printed or stamped on the invoice.

General Information

Penalty. Nonhighway use motor vehicle fuels cannot be used in any motor vehicle which is registered or licensed, even if such vehicle is never or infrequently driven on the highways of Nebraska.

Any removal of nonhighway use motor vehicle fuels from storage for use in registered or licensed vehicles will invalidate all claims for tax credits for the entire claim year. In addition, any purchaser who uses nonhighway use motor vehicle fuels in a licensed motor vehicle is subject to an administrative penalty of \$1,000 for each violation.

Records. Sellers must retain copies of the invoices for a minimum of three years from the date of sale. Purchasers must retain copies of the invoices for a minimum of three years from the date the credit is claimed.

FOR NEBRASKA TAX ASSISTANCE

For All Tax Programs Except Motor Fuels

Contact your regional office or call 1-800-742-7474 (toll free in NE and IA)

or 1-402-471-5729

Nebraska Department of Revenue Web site address: www.revenue.state.ne.us

A copy of the Taxpayer Bill of Rights is available by calling any of our regional offices or visiting our Web site.

SCOTTSBLUFF

Panhandle State Office Complex
4500 Avenue I, Box 1500
Scottsbluff, Nebraska 69363-1500
Telephone (308) 632-1200

NORTH PLATTE

Craft State Office Building
200 South Silber Street
North Platte, Nebraska 69101-4200
Telephone (308) 535-8250

GRAND ISLAND

TierOne Bank Building, Suite 460
1811 West Second Street
Grand Island, Nebraska 68803-5469
Telephone (308) 385-6067

NORFOLK

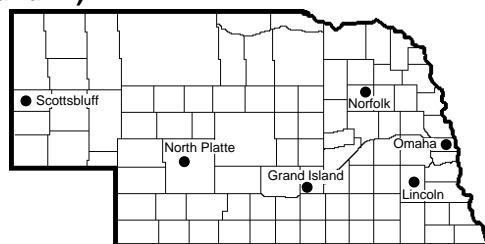
304 North 5th Street, Suite "D"
Norfolk, Nebraska 68701-4091
Telephone (402) 370-3333

OMAHA

Nebraska State Office Building
1313 Farnam-on-the-Mall
Omaha, Nebraska 68102-1871
Telephone (402) 595-2065

LINCOLN

Nebraska State Office Building
301 Centennial Mall South
Lincoln, Nebraska 68509-4818
Telephone (402) 471-5729



For Motor Fuels tax programs only call toll free 1-800-554-3835 (Lincoln residents call 471-5730).

Hearing-impaired individuals may call the Text Telephone (TT) at 1-800-382-9309. TDD (Telecommunications Device for the Deaf) is designated by the use of "TT," which is consistent with the Americans with Disabilities Act.